

106TH CONGRESS
1ST SESSION

H. R. 577

To encourage the People's Republic of China to join the World Trade Organization by removing China from title IV of the Trade Act of 1974 upon its accession to the World Trade Organization and to provide a more effective remedy for inadequate trade benefits extended by the People's Republic of China to the United States.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 4, 1999

Mr. BEREUTER (for himself, Mr. EWING, and Mr. PICKERING) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To encourage the People's Republic of China to join the World Trade Organization by removing China from title IV of the Trade Act of 1974 upon its accession to the World Trade Organization and to provide a more effective remedy for inadequate trade benefits extended by the People's Republic of China to the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “China Market Access
5 and Export Opportunities Act of 1999”.

1 **SEC. 2. STATEMENT OF PURPOSE.**

2 It is the purpose of this Act—

3 (1) to authorize the President of the United
4 States to raise tariffs on imports from the People's
5 Republic of China to tariff levels in effect on Decem-
6 ber 31, 1994, if the President determines, as of Jan-
7 uary 1, 2001, that the People's Republic of China is
8 either denying adequate trade benefits to the United
9 States or not taking steps to become a full member
10 of the World Trade Organization;

11 (2) to provide a significant incentive for the
12 People's Republic of China to gain admission to the
13 World Trade Organization by eliminating the annual
14 review of China's trade status after it commits to a
15 commercially acceptable protocol and is admitted to
16 the World Trade Organization; and

17 (3) therefore to enhance the ability of the Presi-
18 dent of the United States to negotiate a commer-
19 cially acceptable World Trade Organization protocol
20 with the People's Republic of China.

21 **SEC. 3. SNAP-BACK MECHANISM.**

22 (a) DETERMINATION WITH RESPECT TO THE PEO-
23 PLE'S REPUBLIC OF CHINA.—By not later than January
24 1, 2001, the President shall—

(1) after consulting with the appropriate congressional committees, determine whether or not the People's Republic of China is—

(A) according adequate trade benefits to the United States, including substantially equal competitive opportunities for the commerce of the United States; and

(B) taking adequate steps or making significant progress toward becoming a WTO member; and

(2) submit to the appropriate congressional committees a report setting forth his determinations under subparagraphs (A) and (B) of paragraph (1), with a rationale for each determination.

(b) TARIFF INCREASE.—

(1) IMPOSITION OF INCREASE.—If the President determines either—

(A) under subparagraph (A) of subsection (a)(1) that the People's Republic of China is not according adequate trade benefits to the United States, or

(B) under subparagraph (B) of subsection (a)(1) that the People's Republic of China is not taking adequate steps or making significant progress toward becoming a WTO member,

1 then the President shall proclaim, within 180 days
2 after the date of that determination, an increase in
3 the rate of duty with respect to 1 or more articles
4 that are products of that country to not more than
5 the column 1 rate of duty under the Harmonized
6 Tariff Schedule of the United States that applied to
7 the article or articles on December 31, 1994.

8 (2) TERMINATION OF INCREASE.—The Presi-
9 dent shall terminate any increase in the rate of duty
10 imposed under paragraph (1) on the earlier of—

11 (A) the date on which the People’s Repub-
12 lic of China becomes a WTO member; or

13 (B) the date on which the President pro-
14 claims that—

15 (i) the People’s Republic of China is
16 according adequate trade benefits to the
17 United States, including substantially
18 equal competitive opportunities for the
19 commerce of the United States; and

20 (ii) the People’s Republic of China is
21 taking adequate steps or making signifi-
22 cant progress toward becoming a WTO
23 member.

24 (3) MODIFICATION OF TARIFF.—The President
25 may modify any increase in the rate of duty imposed

1 under paragraph (1) if the President notifies the ap-
2 propriate congressional committees of the modifica-
3 tion and the reasons therefor, except that—

4 (A) the modification may not result in a
5 rate of duty higher than that permitted under
6 paragraph (1); and

7 (B) the authority of this paragraph may
8 not be used to terminate an increase in the rate
9 of duty imposed under paragraph (1).

10 **SEC. 4. ACCESSION TO THE WORLD TRADE ORGANIZATION.**

11 On the date on which the People's Republic of China
12 becomes a WTO member, the provisions of title IV of the
13 Trade Act of 1974 shall cease to apply to that country,
14 and nondiscriminatory treatment shall apply to the prod-
15 ucts of that country.

16 **SEC. 5. DEFINITION.**

17 As used in this Act, the term “WTO member” has
18 the meaning given that term in section 2(10) of the Uru-
19 guay Round Agreements Act (19 U.S.C. 3501(10)).

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